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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

| | | |
|----------------------------|---|-----------------------------|
| In Re: |) | BK No.: 14-20808 |
| New Streamwood Lanes, Inc. |) | |
| |) | |
| |) | Chapter: 11 |
| |) | Honorable Timothy A. Barnes |
| |) | |
| Debtor(s) |) | |

INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL

Upon the Motion of New Streamwood Lanes, Inc. (“Debtor”) to Use Cash Collateral (“Motion”), seeking this Court’s authorization pursuant to § 363 of the Bankruptcy Code to use the Cash Collateral (as defined below) of Waterfall Olympic Master Fund Grantor Trust, Series II, as successor in interest to Byline Bank f/k/a North Community Bank, as successor in interest to Edens Bank by merger and consolidation (“Lender”); Lender having objected to the Debtor’s use of cash collateral and the Court having approved the use of Cash Collateral over the objection of Lender pursuant to the terms of this Order; due notice having been given and the Court having been advised in the premises,

THE DEBTOR STIPULATES:

A. June 2, 2014 (the “Petition Date”), the Debtor filed its voluntary petition for relief with this Court under Chapter 11 of the Bankruptcy Code (this “Chapter 11 Case”). The Debtor is continuing in possession of its property, and operating and managing its business as a debtor in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

B. The Debtor owns the real property commonly known as 1232 S. Irving Park Road in Streamwood, Illinois (the “Real Estate”). The Debtor owns and operates a bowling alley at the Real Estate (the “Commercial Assets”).

C. This Court has jurisdiction over this Chapter 11 Case and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2).

D. All objections to the entry of this Order are resolved hereby.

E. The Debtor acknowledges and stipulates that Lender holds a valid first priority security interest in and lien on the Pre-Petition Collateral (defined below) pursuant to (i) that certain Mortgage dated January 18, 2006 in favor of Lender with respect to the Real Estate recorded with the Recorder of Deeds as Document No. 0602345106 (as the same may be further amended, restated, supplemented, or otherwise modified from time to time, the “Mortgage”); (ii) that certain Assignment of Rents dated January 18, 2006 in favor of Lender with respect to the Real Estate recorded with the Recorder of Deeds as Document Number 0602345108 (as the same may be further amended, restated, supplemented, or otherwise modified from time to time, the “AOR”); and (iii) that certain Security Agreement in favor of Lender granting the Lender a blanket lien on all of the Commercial Assets,

which was perfected by the filing of a UCC Financing Statement on January 24, 2006 and a continuation statement on November 9, 2010 (The "UCC Financing Statement").

F. The Debtor acknowledges and stipulates that the Mortgage and AOR secure a loan (the "Loan") made by Lender to Debtor which is evidenced by a Promissory Note executed by Debtor on January 18, 2006 in the original principal amount of \$1,875,000.00 (the "Note"). The Mortgage, AOR, Security Agreement, UCC Financing Statement, Note and all other documents evidencing or delivered in connection with the Loan are referred to as the "Loan Documents".

G. The Debtor acknowledges and stipulates that, in accordance with the terms of the Loan Documents, as of the Petition Date, Lender has filed a claim in the amount of \$3,025,305.05 (the "Pre-Petition Indebtedness"). The Debtor further acknowledges and stipulates that, in accordance with the terms of the Loan Documents, the Pre-Petition Indebtedness is fully matured and outstanding.

H. The Debtor acknowledges and stipulates that under the Loan Documents and as security for repayment of the Pre-Petition Indebtedness, the Debtor granted to Lender security interests in, but not limited to, (i) the Commercial Assets, including without limitation, all personal property including accounts of the Debtor; (ii) the Real Estate; and (iii) any and all rents, revenues, income, profits, and proceeds generated from the Real Estate and Commercial Assets, as more fully described in the Loan Documents, which are incorporated herein by reference (collectively, including Cash Collateral (as defined below), the "Pre-Petition Collateral").

I. The Debtor acknowledges and stipulates that Lender's security interests in and liens on the Pre-Petition Collateral were properly perfected and are valid and enforceable first priority liens on and security interests in the Pre-Petition Collateral. The Debtor further acknowledges that the cash proceeds of sales of inventory, including food and beverages, and rental of goods and equipment, including shoes, billiard tables, and electronic games, accounts, instruments, documents, deposit accounts, chattel paper and general intangibles constitutes proceeds of the Pre-Petition Collateral and, therefore, is cash collateral of Lender within the meaning of Bankruptcy Code § 363(a) (collectively, "Cash Collateral"). Lender is entitled, pursuant to Bankruptcy Code §§ 361 and 363(e), to adequate protection of its interest in the Pre-Petition Collateral, including Cash Collateral; and the Debtor and the Lender acknowledge that their stipulation as set out in this paragraph is not binding upon any creditors' committee which may be appointed herein or upon any subsequently appointed trustee.

J. The Debtor and Lender acknowledge and stipulate that: (i) prior to the Petition Date it paid Lender the sum of \$55,000.00 in order to negotiate a forbearance agreement with Lender; (ii) the forbearance agreement was not finalized; and (iii) the \$55,000.00 was paid to Lender as additional adequate protection for Lender's interests in the Pre-Petition Collateral, such funds to be applied by Lender to the negative tax escrow in reimbursement for real estate taxes paid by Lender pre-petition for the Real Estate.

K. The Debtor represents that in the absence of the use of Cash Collateral, the Debtor does not have sufficient available sources of working capital and financing to operate the Real Estate or business operations in the ordinary course of business or operate its business and maintain its property in accordance with state and federal law.

L. The Debtor has requested immediate entry of this Order pursuant to Bankruptcy Rule 4001 (b)(2), and the permission granted herein to use Cash Collateral necessary to avoid immediate and irreparable harm to the Debtor. This Court concludes that entry of this Order is in the best interest of

the Debtor's estate and creditors as their implementation will, among other things, provide the Debtor with the necessary funds to conduct the Debtor's business as a going concern to the extent possible and maximize the value of the Debtor's assets for the benefit of their creditors and estates.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, EFFECTIVE IMMEDIATELY, AND AGREED AMONG THE PARTIES HERETO THAT:

1. The Motion is granted on an interim basis, subject to the terms and conditions set forth in this Order.
2. The Debtor is hereby authorized on an interim basis to continue to use Cash Collateral pursuant to the terms and conditions of this Order. The Debtor is authorized to use Cash Collateral and other Collateral (as defined below) as provided and limited in the Budget attached hereto as Exhibit 1 (the "Budget") for operations of the Debtor's business and the administration of this Chapter 11 Case, provided, that the use of Cash Collateral is consistent with the terms of this Order, and the Budget, and will only be used to pay when due the expenses set forth in the Budget. The Budget reflects, on a line-item basis, anticipated expenditures on a monthly basis and includes all necessary and required expenses that the Debtor expects to incur during each month of the Budget. The Debtor shall be authorized to use the Cash Collateral only for payment of such items as is set forth in the Budget and subject to the terms and conditions set forth in this Order.
3. As adequate protection for the interests of Lender in the Cash Collateral, the Lender shall have and is hereby granted (effective upon the date of this Order and without the necessity of the recordation of mortgages, security agreements, pledge agreements, financing statements or otherwise) valid and perfected security interests in, and liens on (collectively, the "Replacement Liens") (to the same extent, validity and priority as existed on the Petition Date), all assets of the Debtor of any nature whatsoever and wherever located, tangible or intangible, whether now or hereafter acquired, including without limitation, and any and all proceeds of the foregoing causes of action (including without limitation any commercial tort claims), investment property, leases and all substitutions thereto, accessions, rents and proceeds of the foregoing, wherever located, including insurance and other proceeds, excluding proceeds of any avoidable transfer actions instituted through this case (collectively, with all proceeds and products of any or all of the foregoing and including the Pre-Petition Collateral, the "Collateral").
4. Immediately upon entry of this Order, the Debtor is hereby authorized to use Cash Collateral, provided that the Lender is granted adequate protection for any diminution in the value of the Collateral resulting from: (i) the Debtor's use of Cash Collateral pursuant to Bankruptcy Code § 363 (c); or (ii) the use, sale or lease of the Collateral (other than Cash Collateral) pursuant to Bankruptcy Code § 363(c) and (iii) the imposition of the automatic stay pursuant to Bankruptcy Code § 362(a).
5. As additional adequate protection for the Debtor's use of the Property, the Collateral and Cash Collateral, the Debtor shall make monthly payments to the Lender, provided however, that such payments are provisional, in the amount of \$6,187.50 per month payable on the last date of each month (the "AP Payments").
6. In addition to the AP Payments, Debtor previously authorized Lender to apply and retain the \$55,000.00 in funds that were held by Lender as additional adequate protection (which are funds paid by Debtor to Lender prior to the Petition Date and constitute Lender's Cash Collateral). The payment of the \$55,000.00 to Lender as additional adequate protection is not provisional.

7. Under the circumstances, the adequate protection provided herein is reasonable and sufficient to protect the interests of the Lender; provided, however, that nothing herein contained shall affect or impair the Lender's right to seek additional adequate protection of its interests.

8. Debtor's use of Cash Collateral is authorized only from October 5, 2016, through NOVEMBER 4, 2016 (the "Term") unless terminated prior to this date upon an occurrence of the Termination Date defined below, and may not be extended other than on the express written consent of the Lender or order of the Court.

9. Debtor shall remain current on all post-petition property tax obligations for the Property, including the obligation to escrow funds in equal monthly amounts sufficient to enable Debtor to timely pay all post-petition property taxes, which are currently \$10,000.00 per month and are due by the last date of each month. The escrow account shall be a separate account from Debtor's general bank account ("Tax Escrow Account") and monthly account statements shall be attached to Debtor's monthly financial reports filed with the Court. Notwithstanding the foregoing, upon the entry of this Order, the Debtor shall segregate all real estate taxes incurred from August 1, 2014 through the present into the Tax Escrow Account, and shall provide evidence to Lender's counsel of the Tax Escrow Account as funded.

10. The Debtor shall deliver to the Lender such reasonable financial and other information concerning the business and affairs of the Debtor as the Lender shall reasonably request from time to time, including, without limitation, the financial reports and information provided to the Lender under the Loan Documents. The Debtor shall cooperate with and permit the Lender to perform physical inventories and conduct field audits of all assets in the Debtor's facilities, including the Property, at any reasonable times requested by the Lender. On or before the 21st day of every month, Debtor shall provide Lender with a copy of (i) its filed monthly operating report for the prior month; and (ii) a reconciliation report of actual income and disbursements from the prior month as compared to the Budget (the "Monthly Financial Reporting").

11. If an Event of Default (as defined in this Order) occurs, the Debtor's authority to use of Cash Collateral shall immediately terminate (the "Termination Date"). An "Event of Default" under this Order shall mean any one of the following:

- a. Debtor's failure to maintain appropriate insurance for the Collateral, including the Real Estate.
- b. Debtor's failure to serve copies of the Monthly Financial Reporting to Lender when due.
- c. Debtor's failure to timely pay real estate taxes for the Real Estate or AP Payments when due pursuant to the terms of this Order.
- d. Expending funds in excess of the Budget or for items not provided for in the Budget without prior written consent of Lender
- e. The entry of an order dismissing this Chapter 11 Case or converting this Chapter 11 Case to Chapter 7 case.
- f. The entry of an order appointing a Chapter 11 trustee in this Chapter 11 Case.

g. The entry of an order granting any other claim superpriority status or a lien equal or superior to the respective liens granted to the Lender (except pursuant to an order under Bankruptcy Code § 506(c)).

h. The entry of an order in this Chapter 11 Case appointing an examiner having enlarged powers beyond those set forth under Bankruptcy Code § 1106(a)(3) and (4).

i. The entry of any order granting any relief from the automatic stay so as to allow a third party to proceed against any material asset or assets of the Debtor.

12. Any stay, modification, reversal or vacation of this Order shall not affect the validity of any obligation of the Debtor to the Lender incurred pursuant to this Order. Notwithstanding any such stay, modification, reversal or vacation, all use of Cash Collateral incurred by the Debtor pursuant hereto prior to the effective date of any such stay, modification, reversal or vacation, shall be governed in all respects by the provisions hereof and the Lender shall be entitled to all the rights, privileges and benefits of this Order, including without limitation, the Liens and Replacement Liens granted herein.

13. Except as provided in a Final Order; the Lender and other secured creditors shall have the right to "credit bid" the secured amount of their respective claims (to be determined by the Court, if necessary) as of the date of such bid during any sale of all or substantially all of the Debtor's assets to the extent it includes the sale of Collateral or the Property, including with limitation, sales occurring pursuant to § 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under § 1129(b)(2)(A)(iii) of the Bankruptcy Code.

14. The Debtor is authorized to perform all acts, and execute and comply with the terms of such other documents, instruments and agreements as the Lender may reasonably require, as evidence of and for the protection of the use of Cash Collateral, or which otherwise may be deemed reasonably necessary by the Lender to effectuate the terms and conditions of this Order.

15. To the extent there exists any conflict between either Loan Documents and the terms of this Order, this Order shall govern.

16. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof.

17. A hearing on Debtor's continuing motion for use of Cash Collateral, and any objections thereto, shall be held on NOVEMBER 2, 2016 at 10:30 a.m.

Enter:



United States Bankruptcy Judge

Dated: **05 OCT 2016**

Prepared by:

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New Streamwood Lanes October 2016

Income

| Description | Amount |
|------------------|----------|
| Bar | 18500.00 |
| Billiards | 3000.00 |
| Bowling | 20000.00 |
| League Linage | 24000.00 |
| Shoe Rental | 3000.00 |
| Food Sales | 9000.00 |
| Arcade | 1500.00 |
| Birthday Parties | 1500.00 |
| Video Gaming | 3500.00 |
| Total | 84000.00 |

Expenses

| Description | Amount |
|-------------------------|----------|
| Beer | 4000.00 |
| Soda | 1400.00 |
| Food | 5500.00 |
| Bank Charges | 100.00 |
| Janitorial | 1363.00 |
| Pest Control | 55.00 |
| Payroll | 25000.00 |
| Gas | 800.00 |
| Telephone | 470.00 |
| Electric | 4000.00 |
| Arcade | 1500.00 |
| Garbage | 480.00 |
| Co2 | 175.00 |
| Sales Tax | 2000.00 |
| Bowling Machines Parts | 1200.00 |
| Building Repair | 1000.00 |
| Bowling Supplies | 3000.00 |
| Schwepe Supplies | 1200.00 |
| Credit Card Fee | 900.00 |
| Insurance | 3080.00 |
| Payment To Bank | 6187.00 |
| Office Supplies | 500.00 |
| Water | 800.00 |
| Liquor | 2000.00 |
| Birthday Party Supplies | 0.00 |
| Snow Removal | 0.00 |
| Property Tax | 10000.00 |
| Appraiser fee | 3000.00 |
| Total Expenses | 79710.00 |